

## Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 SS-15  
NSC-05 SSO-00 NSCE-00 INRE-00 /053 R

DRAFTED BY EB/ANJ:DMAGNOR  
APPROVED BY EB/TCA:JWBILLER  
EUR/CE R. CASAGRANDE (INFO)  
-----250223Z 092973 /14  
O 250148Z MAR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BONN IMMEDIATE

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E.O. 11652: N/A

TAGS:EAIR, FR

SUBJECT: CIVAIR - POSSIBLE FRG DISAPPROVAL OF US  
ORIGIN CHARTERS

REF: BONN A-63

1. US SUPPLEMENTAL AIRLINE, TRANS INTERNATIONAL (TIA)  
WILL APPLY FOR WAIVERS FROM FRG AUTHORITIES ON MARCH 25  
TO OPERATE LARGE CHARTER PROGRAM, FIRST FLIGHT OF  
WHICH IS SCHEDULED TO DEPART US ON APRIL 2. THESE  
WAIVERS ARE NECESSITATED BY DECEMBER 15 LETTER FROM FMT  
(REFAIR) AND BY SUBSEQUENT LETTER DATED FEBRUARY 10  
WHICH ESTABLISHED MINIMUM CHARTER PRICES FOR US  
ORIGINATING ABC CHARTERS AT LEVELS NO HIGHER THAN FRG  
ORIGINATING ABC'S. TIA'S PRICES WOULD BE BELOW THESE  
LEVELS. IT SHOULD BE NOTED THAT TIA HAD FILED ITS  
PROGRAM WITH THE CAB AND THAT THE PRICES FOR THE PROGRAM  
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WERE NOT CONSIDERED BY THE CAB TO BE UNJUST  
OR UNREASONABLE, UNJUSTLY DISCRIMINATORY OR UNDULY  
PREFERENTIAL OR PREJUDICIAL. THEREFORE, TIA ACTED IN  
GOOD FAITH AND ASSUMED THAT SINCE ITS PRICES HAD BEEN  
SUCCESSFULLY MEASURED AGAINST VIGOROUS CAB PRICING  
STANDARDS, IT HAD COVERED ITSELF WITH THE GERMAN

AUTHORITIES AS WELL. IT SHOULD ALSO BE NOTED THAT FEBRUARY 10 FMT LETTER, UNLIKE DECEMBER 15 LETTER, MADE NO MENTION OF POSSIBLE WAIVERS.

2. EMBASSY SHOULD IMMEDIATELY MAKE STRONG REPRESENTATION TO FRG AT APPROPRIATELY HIGH LEVEL URGING APPROVAL OF WAIVERS FOR TIA PROGRAM. EMBASSY SHOULD NOTE WAIVERS ARE ESSENTIAL TO SUCCESSFUL OPERATION OF THE PROGRAM. THE PROGRAM HAD BEEN PLANNED AND ORGANIZED LONG IN ADVANCE, AND PLANNING AND ORGANIZING INCLUDED THE ESTABLISHMENT OF ITS RETAIL PRICES - A CRITICAL ELEMENT IN ITS MARKETABILITY. EMBASSY SHOULD ALSO POINT OUT THAT CHARTER PRICES ARE A FUNCTION OF COSTS AND THAT COSTS ARE VARIABLE. THEY CHANGE FROM CHARTER PROGRAM TO PROGRAM AND ARE INFLUENCED BY SUCH CONSIDERATIONS AS AIRCRAFT SEATING DENSITY, NUMBER OF REQUIRED FERRYING OPERATIONS, INDIVIDUAL AIRLINE'S EFFICIENCY AND FIXED COSTS, AND BY TOUR OPERATOR'S COSTS. THEREFORE, THE ESTABLISHMENT OF CHARTER MINIMUM IS ARBITRARY AND DEFEATS THE GOAL OF MAXIMIZING THE BENEFITS OF CHARTERS TO THE PUBLIC.

3. FINALLY, EMBASSY SHOULD POINT OUT THAT US OPPOSES ATTEMPTS BY FOREIGN GOVERNMENTS TO ESTABLISH CHARTER PRICE MINIMUM FOR CHARTER TRAFFIC ORIGINATING IN THE US. THE US WILL THEREFORE WISH TO DISCUSS THE GENERAL PROPOSITION OF CHARTER MINIMUM IN THE NEAR FUTURE.

4. PLEASE REPORT SOONEST.  
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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, LANDING RIGHTS, SUPPLEMENTAL AIRLINES, PASSENGERS, AIR FARES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 25-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE066428  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DMAGNOR  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770102-0105  
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**Legacy Key:** link1977/newtext/t19770321/aaaaarvp.tel  
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**Litigation History:**  
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**Message ID:** 142fd0b1-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 BONN A-63  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2994626  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR - POSSIBLE FRG DISAPPROVAL OF US ORIGIN CHARTERS  
**TAGS:** EAIR, FR, GE, US, TIA  
**To:** BONN  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/142fd0b1-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009